

95 FERC ¶ 61,473  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Curt Hébert, Jr., Chairman;  
William L. Massey, Linda Breathitt,  
Pat Wood, III and Nora Mead Brownell.

GridFlorida LLC  
Florida Power & Light Co.  
Florida Power Corporation  
Tampa Electric Co.

Docket No. RT01-67-002

ORDER GRANTING REHEARING IN PART  
AND DENYING REHEARING IN PART

(Issued June 28, 2001)

On March 28, 2001, the Commission issued an order (March 28 Order)<sup>1</sup> which, among other things, found that the Order No. 2000<sup>2</sup> compliance filing made by Florida Power & Light Company (FP&L), Florida Power Corporation (Florida Power Corp.), and Tampa Electric Company (TECO) (collectively Applicants) to create GridFlorida LLC (GridFlorida), a for-profit Regional Transmission Organization (RTO), as modified, complies with the minimum RTO characteristics and functions described in Order No. 2000, and provisionally granted RTO status to GridFlorida. Several parties have filed requests for rehearing of the March 28 Order. For the reasons set forth below, the Commission will grant in part and deny in part the rehearing request filed by the Florida Public Service Commission (Florida Commission) concerning the March 28 Order's rejection of its proposal for a technical conference. Other requests for rehearing will be addressed in a separate order.

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<sup>1</sup>94 FERC ¶ 61,363 (2001).

<sup>2</sup>Regional Transmission Organizations, Order No. 2000, 65 Fed. Reg. 809 (January 6, 2000), FERC Stats. & Regs. ¶ 31,089 (1999), order on reh'g, Order No. 2000-A, 65 Fed. Reg. 12,088 (March 8, 2000), FERC Stats. & Regs. ¶ 31,092 (2000), petitions for review pending sub nom., Public Utility District No. 1 of Snohomish County, Washington v. FERC, Nos. 00-1174, et al. (D.C. Cir).

Upon analyzing the concerns raised by the Florida Commission on rehearing, as discussed further below, we have concluded that these matters should be separated from this docket and resolved to the extent possible in other, informal settings, or, where necessary, in other proceedings. Therefore, while we will deny rehearing of the request to hold a formal technical conference to develop a formal memorandum of understanding between this Commission and the Florida Commission with respect to the roles of the two regulatory bodies in overseeing GridFlorida, we also will direct the Commission's senior staff to hold informal discussions with the Florida Commission and to work collaboratively with the Florida Commission to address its concerns.

The matters raised by the Florida Commission on rehearing do not go to the merits of whether Applicants' proposed transmission institution meets the functions and characteristics of an RTO as set forth in Order 2000. Rather, the concerns raised by the Florida Commission involve jurisdictional boundaries and responsibilities and the need for a better understanding of RTO cost recovery in Commission proceedings. The issues raised include: the role of the Florida Commission in assuring adequate reserves in the State; the role of the Florida Commission in the RTO's market monitoring activities; the Florida Commission's responsibilities involving transmission planning and expansion; and the retail impact of start-up costs for GridFlorida. By their nature, these issues are the types in which the Florida Commission and this Commission may find common ground. Since these matters do not involve the merits of whether GridFlorida complies with the RTO functions and characteristics, we conclude that resolution through an informal consultative process is a superior way to address them. We recognize the importance of the Florida Commission's concerns and accordingly direct senior staff to hold informal discussions with the Florida Commission, outside the context of this proceeding, to discuss issues of State-Federal jurisdictional boundaries and other areas of mutual concern. Further, to the extent that concerns are not adequately addressed through an informal process, the Florida Commission is not precluded from seeking future formal consideration of jurisdictional or other issues through other procedural vehicles.

The Commission orders:

The request for rehearing filed by the Florida Commission is granted, in part and denied, in part, as discussed in the body of this order.

By the Commission.

( S E A L )

David P. Boergers,  
Secretary.

